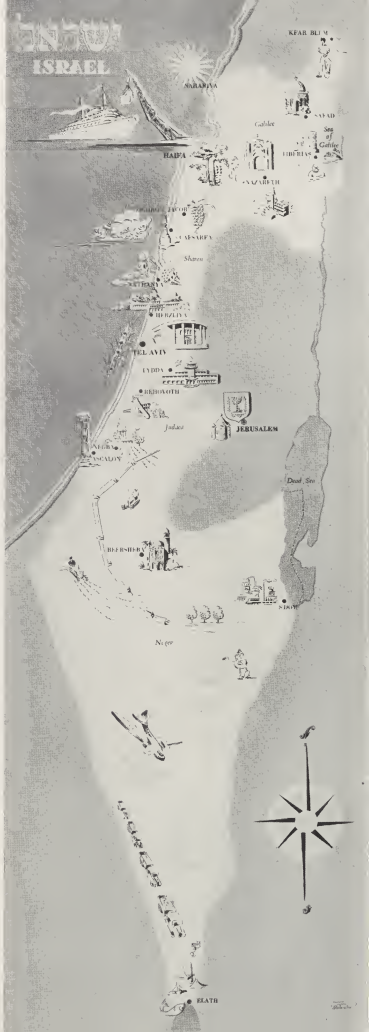


# ISRAEL



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*With the Compliments of the*

AMERICAN ZIONIST COUNCIL

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# ISRAEL



## FOREWORD

ISRAEL during the past four years has confirmed a truth observed in the United States more than a century ago by Alexis de Tocqueville's *Democracy in America*: "There is no end which the human will despairs of attaining through the combined power of individuals combined in a society."

It is a truth profoundly evident in this documentary record of social and economic development in Israel. No economy has ever been tested like ours through an increase of population by 120% in four years. But our people have passed that hard test — in democratic stability, with no unemployment, with an increase in productivity and in defensive capacity.

As United Nations statistics show, Israel's national income now surpasses on a per capita basis the levels of some industrialized countries. Farmland and factories have increased, and newly-discovered mineral wealth stands as the cornerstone of an industrial revolution.

But a nation's success is not to be measured alone in the degree to which it has expanded its manpower, national income, natural resources, and productivity. In the light of our history, the quality of success may well be tested also in terms of the extent to which Israel has increased the self-reliance, self-respect, and self-sacrifice of its people.

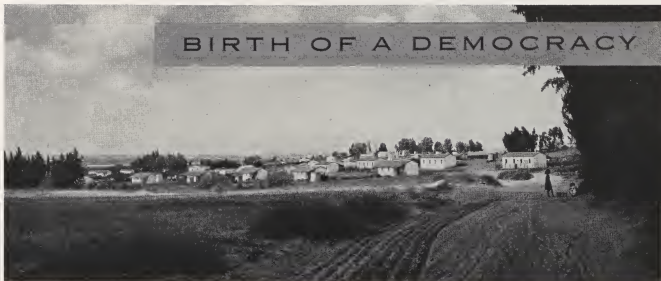
By these standards, there is reason for confidence and a measure of satisfaction. The statistical figure of 120% population-increase has meaning if it is understood as the answer given by the conscience of a people to the question, "Am I my brother's keeper?"

As the facts and figures of this documentary record tersely reflect, Israel has achieved for more than one and a half million human beings the rehabilitation of man, nature, and culture.

The people of Israel are confident that they have the understanding of the people of America. Common goals of statesmanship in Israel and the United States, a basic identity of interest in the peace and stability of the world, are the guarantees of friendship between the two countries.

ABBA S. EBAN

AMBASSADOR OF ISRAEL TO THE UNITED STATES



"They reclaimed the wilderness, revived their language, built cities and villages, and established a vigorous community . . ."

## A Declaration of Independence

The independence of Israel was proclaimed on May 14, 1948, by virtue of the natural and historic right of its people to a sovereign State, and in pursuance of the Resolution passed by the United Nations on November 29, 1947.

Two milestones of international recognition which preceded these events were the Balfour Declaration and the Palestine Mandate. The Balfour Declaration (issued by Great Britain on November 2, 1917) stated that "His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people," and was incorporated into the terms of the Palestine Mandate (approved by the Council of the League of Nations on July 24, 1922) which acknowledged that "recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in that country."

After the General Assembly had resolved in 1947 for the establishment of an independent Jewish State in Palestine, and called on inhabitants of the country to take such steps as might be necessary on their part to put the plan into effect — Israel's declaration of independence served to implement the Resolution of the United Nations.

An event in the modern cycle of the birth of nations, the new democracy set out in May 1948, like the great democratic models before it, on a course to secure the

rights of its people to life, liberty, and the pursuit of happiness, while also remembering in its declaration of independence the historical perspective in which its freedom and tradition are framed:

"THE LAND OF ISRAEL was the birthplace of the Jewish people. Here their spiritual, religious, and national identity was formed. Here they achieved independence and created a culture of national and universal significance. Here they wrote and gave the Bible to the world."

## The Zionist Idea

Zionism began with the Bible. It persisted century after century in a multitude of plans and projects for the territorial restoration of a dispersed people, sought for by Christian pioneers of the idea as well as by Jews. It evolved in political theory, grew on need, proved itself in labors of settlement, and was fulfilled by masses of human beings who wished to link themselves with their own people in a free land, as a matter of right and not on sufferance. For a half century before the emergence of the State, the aim of this tradition and historical movement was a secular and democratic society inspired by a modern Hebrew renaissance in language, culture, and social ideals.

Three decades stand between international recognition of the right to a national home and independence in Israel. Pioneer settlers, facing classic hardships, but not the classic prospects of reward on more fertile frontiers, came gladly to the barren soil of Palestine to discard





"... for the benefit of all its inhabitants . . . on the precepts of liberty, justice and peace taught by the Hebrew Prophets."

second-class citizenship for full membership in their own community. Youth escaping from a status of abnormality — economic and psychological — and families fleeing from the physical danger and social distress of anti-Semitism, were ingredients of the new society. Of the people who gave it shape, Israel's declaration of independence says:

"IN RECENT DECADES they returned in their masses. They reclaimed the wilderness, revived their language, built cities and villages, and established a vigorous and ever-growing community, with its own economic and cultural life."

### Democratic Force in the Middle East

Nearly seventy years of hardship, discipline, planning, and cooperation saw Palestine's economy rising above the prevailing regional level, and western forms of agriculture, industry, education, hygiene, and social relations established in towns and farmsteads. They saw external crises which tended to modify the terms and reduce the area, but not the vigor and idealism of settlement. The organic maturity of the economy and the political reality of the community gave the people a resilience and confidence on which the security of the Middle East for the democratic powers at war could depend. In the words of Israel's declaration of independence:

"IN THE SECOND WORLD WAR the Jewish people in Palestine made a full contribution in the struggle of the freedom-loving nations against the Nazi evil. The sacrifices of their soldiers and the efforts of their

workers gained them title to rank with the peoples who founded the United Nations."

While offering peace to the neighboring states of the Middle East, at the moment of implementing the United Nations decision, the people of Israel were driven to improvise a defense of their lives and fortunes against the combined forces of invading neighbors, until the aggression was defeated and the political action of the United Nations effected armistice agreements.

### Israel Among the United Nations

Recognition of Israel by the government of the United States on the very day it was established, an act that was followed by sixty other countries, and its admission to membership in the United Nations on May 11, 1949, were more than legalities to a people who had struggled so long for their reestablishment among the nations. Their solemn pledge to each other, before the world, reads:

"THE STATE OF ISRAEL will be open to the immigration of Jews from all countries of their dispersion; will promote the development of the country for the benefit of all its inhabitants; will be based on the precepts of liberty, justice and peace taught by the Hebrew Prophets; will uphold the full social and political equality of all its citizens, without distinction of race, creed, or sex; will guarantee full freedom of conscience, worship, education and culture; will guarantee the sanctity and inviolability of the shrines of the Holy Places of all religions; and will dedicate itself to the principles of the Charter of the United Nations."





### A Classic Example of Transformation

If through wise and scrupulous use of the land a people achieves general welfare, social justice, and adequate defense, then the relation of the people to the land in Israel is the measure of their accomplishment and the guarantee of peace and stability.

When Jewish colonists first began their work in 1882, the soil had been eroded by water and wind down to bedrock over fully one-half of its hills. Streams of the coastal plain were choked by the debris of erosion to form deadly malarial marshes. Camel, sheep, and goat had eaten the life of shrubs, bushes, and trees. The record of biblical fertility was invoked to prove that the decadence of this soil was not normal. Old ruined ter-

aces showed that this melancholy landscape was the price of generations of neglect and wasteful exploitation by man and beast.

Today the land of Israel is a classic example of transformation. Draining swamps, digging wells, developing irrigation, turning sand dunes into orchards and farms, planting trees on rocky hills, building terraces and roads, have been the means that successfully helped adapt a people to available land resources, topography, climate, and economic opportunities. This long-range development of a creative system of living, based on specific requirements of the local situation in Israel, has produced an example for underdeveloped areas in the whole Middle East.

### The Shape of Israel

Israel on the Mediterranean Sea shares the topography, geological structure, climate, soils, flora and fauna of Jordan, which borders it on the east, of Lebanon and Syria on the north, of Sinai and Egypt on the south, and of the remoter Mesopotamian areas, Iraq and Arabia. The approximately 8,100 square miles of Israel (about the size of Massachusetts, New Hampshire, Vermont, or Maryland) stretch 260 miles long and 70 miles across the greatest width. Generally speaking, the climate (with sharply divided rainy and dry seasons) and the natural vegetation in corresponding climatic zones, are like those of Southern California.

Drainage and irrigation have given the Maritime and Coastal Plains of Israel some of its most productive districts for intensive cultivation; the Valley of Jezreel or Esdraelon southeastward from Acre and Haifa is also suitable for intensive farming. The highlands of Judea are good for grazing, forestry, and tree crops. North of the Emek the land rises into the hills of Galilee toward the Lebanon mountains, where the heavier rainfall and reclamation of hill-slopes permit some terracing and orchards, and land may be utilized for grazing and reforestation. The northern part of the Jordan Valley, in the Huleh region which has required drainage for its fullest use, the soil is suited to grains, forage crops, and vegetables. In view of the overall primary regional need for power and water, the Valley of the Jordan River has features and resources for a reclamation project on the scale of the Tennessee Valley Authority, a JVA which, like TVA, might in time provide farms, industry, and security for millions in Israel and in neighboring Arab states. The Negev or South Country is a triangular sector about half the total area of Israel with its apex on the Gulf of Elat. In this wasted landscape with its traces of former cultivation, cisterns, terraces, and dead cities, which was long inhabited by nomads living off herds and clinging to the spoil of caravans, irrigation projects are now coaxing and creating fertility. For an energetic people of hardy settlers using scientific methods, the thousands of dry square miles of South Country are the frontier land of new mass settlement.



## Discovery of Natural Wealth

The recent exploration for mineral resources in Israel has led to discoveries which must indeed revise the stereotyped concept of "a poor country," and give biblical references to minerals the aspect of accurate reporting. The newly uncovered natural wealth, needing only capital for machinery and transportation necessary to exploit it, points toward an impending industrial revolution in Israel.

## Rich Deposits of the Dead Sea

The concentrated waters of the famous Dead Sea, one-fourth of it contiguous with Israel, are highly saturated with one of the world's richest deposits of the principal chlorides and magnesium bromide. Dead Sea potash deposits have been commercially extracted for more than two decades. Interrupted by the recent war, potash extraction has been resumed by the southern plant on the Dead Sea within the territory of Israel. The mineral resources of this remarkable lake are increasingly used as a source of fertilizers and as a foundation for the chemical-industrial creation of superphosphates, chlorine, sulphuric acid, and caustic soda. Production of potassium is easier in the Dead Sea than elsewhere and there is a sufficient supply for the needs of the world at present consumption rates for a thousand years. As the basis of Israel's chemical industries and as export items, the Dead Sea minerals constitute one of the most valuable assets of the country's economy.

## The Negev Yields Minerals

The first stages of exploration for mineral resources in the Negev, where iron and copper were mined in antiquity, already sustains the biblical description of this land "whose stones are iron and out of whose hills thou mayest dig copper." Geological surveys were carried out by government and Jewish institutions under the Mandatory, but it was only with the independence of the State that the first comprehensive survey of the Negev's mineral resources was initiated. Full-scale operations began early in 1950, when the chemical analyses of numerous mineral samples carried out by the laboratories of the Weizmann Institute resulted in a revised geological map of the Negev and important finds of mineral wealth. These included vast deposits of rock phosphate, ceramic clays, and glass sand in the northern Negev, and extensive deposits of manganese and copper ores in the vicinity of Elat. The government established a special company, the Israel Mining Industries which began activities in March 1951, to explore and utilize the country's mineral resources. A geological survey for mica, feldspar, and quartz has been completed, and another survey for sulphur launched. Mining exploration continues for copper, manganese, and iron ores. The stage of actual mining operations has already been reached for phosphate rock, ceramic clays, and glass sand.

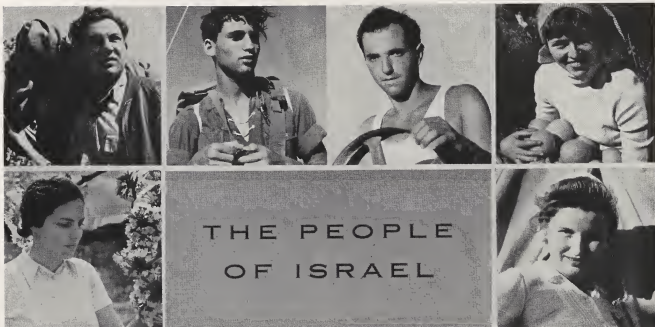
## Resources Make Industry

The initial limiting factor in the utilization of the Negev's mineral wealth was the labor supply, whose sufficiency depended on the establishment of pioneer settlement nuclei wherever water and roadways could be provided quickly enough. The speed of this utilization displays the energy of an industrial revolution: known reserves of phosphate rock of above 100 million tons were located in the northern Negev in June 1950; mining exploration was completed by December and mining operations begun without delay under Negev Phosphates Ltd. With the rapid extension of agricultural tracts in Israel, the need for phosphate fertilizer is rising steadily. Fertilizers & Chemicals Ltd., which operates a superphosphate plant in the Haifa Bay area, need no longer rely on imported raw materials.

In the Makhtesh Hagadol or Great Mortar, a huge crater some fifty kilometers south of Beersheba, extensive deposits of ceramic clays and glass sands provide raw materials urgently needed by local industry. These are being exploited by Even-Sid, or the Lime & Stone Production Co. affiliated with Solel Boneh. Proven reserves of Makhtesh glass sands of at least a million tons (local requirements for glass and ceramic industries will amount to some 40,000 tons a year) are much finer than the sands usually imported. Reserves of some 150,000 tons of Makhtesh clays (for an industry that will demand about 15,000 tons annually, and which contemplates more intensive extraction and modern equipment) can be used to replace most of the raw material imported for the manufacture of firebrick, sanitary, earthen, and ceramic wares. Copper ore spread in sedimentary rocks, outcrops of iron ore, and feldspar needed by the ceramic industry, exist abundantly in the Elat region. Reserves of manganese not below two million tons and occurrences of mica (there is a world shortage of both manganese and mica) are to be found some twenty-five kilometers north of Elat. The search for minerals in the Negev, concentrated in priority areas with ores of immediate economic importance, is limited only by the existent equipment and manpower.

Other potential sources of mineral wealth, fisheries, and vegetation exist which require exploration or await fuller utilization. Only the surface of Israel's underground natural wealth has been scratched; for example, geological dome formations hold promise of oil deposits, Makhtesh Hagadol being one of the sites of a developing oil survey. There are widespread deposits of bituminous limestones and shales; and the peat of the drained Huleh region will be a source of organic fertilizer and possibly fuel. Limestone predominates in a varied supply of basalt and marble. There is also a native stone whose silver white or yellow and reddish tints borrow light from a brilliant sun and give beauty and dignity to the modern walls of new Jerusalem.





### Their Values

The people in the young democracy of Israel are unusual by any standards of growth, origins, experience, and character of population. The basic features of the national community are the continuing rapid growth of population streaming in from all parts of the world, the readiness to be integrated into the local setting, the powerful unifying memory of a common tradition, and the living example of a pioneer stock several generations on the land and in the towns. To these features may be added the value attached to modern techniques of organization, the priority laid on conserving the welfare of youth, the traditional respect for education and culture, the absence of any social cleavage based on privilege, and the submission of all to the necessities of austerity in living. Above all there exist a dominant political literacy and progressive western institutions which are taking root in the center of the Middle East.

### Their Numbers and Origin

The total population of Israel, as of December 1951, numbered nearly 1,600,000, including 175,000 non-Jews (120,000 Moslems, 40,000 Christians mainly Arabs, 15,000 others mainly Druzes). Of the population in some twenty larger urban centers, at the end of 1951, about 710,000 were in Tel Aviv-Jaffa (370,000), Greater Haifa (190,000), and Jerusalem (150,000); the rest were distributed in such towns of ten to twenty thousand as Nathanya, Nazareth, Petah-Tikvah, Ramat-Gan, Hadera, Rehovot, Rishon-le-Zion, Acre, Beersheba, Herzlia, Kfar Saba, Lydda, Ramle, Tiberias, and others. At the end of 1951, there were 597 Jewish and 103 non-Jewish settlements in Israel.

The rate of population increase has been greater in the past thirty years in the area which is now Israel than in any other country. The three decades from 1918, when the Jewish population was 56,000, to the establishment of the State on May 14, 1948, when the population was 655,000, saw an immigration of 484,000. But more Jewish immigrants entered Israel in the first thirty months after statehood than had come to the country in the previous thirty years. There is nothing comparable in history to this ratio between the size of Israel's immigration and its settled national population.

Immigrants have come from two main areas: Eastern Europe and Middle Eastern and North African countries. While the majority of immigrants in the past originated from Europe, the rate of immigrants from Middle Eastern and North African countries rose rapidly after the establishment of the State. Of those who arrived in the period from 1919 to 1947, 86.7% came from Europe, 7.8% from the Middle East, 0.7% from Africa. For the period 1948-1951, 49.8% arrived from Europe, 35.7% from Asia — mainly the Middle East, 14% from Africa. By then, mass Jewish immigration was regarded as having been completed from Germany, Austria, Bulgaria, Yugoslavia, Czechoslovakia, Poland, Yemen, and Cyrenaica.

From May 14, 1948 to December 31, 1951, 684,275 immigrants entered the country; thus a Jewish population of 655,000 had more than doubled by the end of 1951, mounting to 1,425,000, with immigration accounting for more than 90% of the increase. Israel's population increased progressively, by 15% in 1948, 30% in 1949, 18% in 1950, and 15% in 1951. Previous migration and colonization records show that the largest growth of

population as a result of immigration in any one country during any one year anywhere was only 4%. No such limited precedent could serve Israel since the main driving force behind the effort which led to the establishment of the State was the need to provide a haven for masses of homeless Jews in many parts of the world before, as in the case of six million Jews of Europe, death provided a haven of its own.

## Their Diversity

Before the need to save Jews from death became so urgent as to suspend all possibility of selecting superior pioneer manpower, Jewish immigrants to Palestine exhibited distinction. By their youth, character, occupation, and special training in 365 centers of 24 countries, young men and women were specifically fitted for a pioneering life on the soil; they had the will to live. About 45% of those entering between 1919 and 1944 came as workers desiring a job in manual labor projects; about 25% were persons with some capital, those from central Europe including a number of men with experience in modern industry, technical experts, valuable scientists and scholars; other categories were dependents on residents, and students. The vast majority of the newest immigrants had no means and had to be cared for by government and the Jewish Agency in reception camps and in work villages whose temporary housing would later be converted into permanent settlements. Those fitted only for unskilled labor received vocational training, while social welfare and educational agencies applied themselves to acute problems of health and old age as well as to cultural absorption. At the end of 1950, 24%

of the immigrants who reached Israel after it achieved statehood, had been distributed in agriculture, 54% in towns, trade, industry, and civil service, 13% in work villages, and only 9% remained in immigrant camps. Such has been the continuing process of reception and rehabilitation, formulated tersely in the Law of Return of July 5, 1950, that "Every Jew has a right to immigrate to Israel."

## Their Common Bonds

The Jewish population of Israel is thus largely composed of immigrants who reflect the diversity of their origins. Only differences between western and oriental types are pronounced. Since these are largely differences in style of living and in economic adaptation, they are therefore soluble. Though all the familiar shades of religious position or diversity of secular life typical of any modern community exist, the unifying factors among the immigrants are strong. The single language of Jewish education and communication is Hebrew. There is pride and security in a common tradition. The hardships of migration and trials of resettlement serve to bind nearly all the immigrants. They soon become geographically distributed and socially adjusted. If economic roles change, they do so in an environment where pioneer labor is valued in itself. There is no wide breach between generations, there is no class of persons with an encrusted prestige. For the overwhelming majority there is none of the corrosive effect with which the first generation of immigrants are sometimes assimilated elsewhere.

In a society devoted to personal liberty, children, literacy, health, and special training for modern economic



"The people in the young democracy of Israel are unusual by any standards of growth, origins, experience, and character of population . . . Acculturation of the youthful and resilient Jewish element is rapid and permanent. The single language of communication is Hebrew."



Western, Iraqi, Bucharian Jews: "Only differences between western and aridental types are pronaunced; since these are largely differences in style of living and economic adaptation, they are soluble."

activities, acculturation of the youthful and resilient Jewish element is rapid and permanent. The native-born youth of Israel or *sabra* (fruit of the cactus) is said to have developed a type indigenous in manner and body, due to nurture and environment and the vitality of new folkways. Native-born and immigrant youth blend in the two years of National Service, when nine months are devoted to agriculture, and the rest either to establishing new settlements or normal military duties, always accompanied by such humanitarian projects as aiding immigrant camps and operating courses in adult education.

The Israel Army has its origins in the horseback pioneer Watchmen who defended the life and property of early settlers; in the Haganah or self-defense force which was created under the Mandatory's administration to ensure the community's security; and in the 30,000 Jews of Palestine (especially the Jewish Brigade) who saw active service on various battlefields with the Allied Armies in World War II. It was established by law on May 26, 1948, an order of the day proclaiming that "The Army of Israel will be built on the basis of social equality, freedom of religion and conscience, faithful to the principles of the Prophets of Israel that 'nation shall not lift its hand against nation'." Based on four broad elements — the conscript army, reserve army, regular army, and the frontier settlements — it is a unique body of regular soldiers, sailors, airmen, citizen-soldiery and pioneering youth, who won a War of Liberation against great odds in fire and manpower and, though now highly mechanized, technical, and mobile (after Turkey's, the strongest army in the Middle East), it remains dedicated to such peaceful arts as the creating of agricultural settlements, afforestation, and education. The strength of Israel's army and the State's defense potential may be evaluated from evidence implicit in the record of a country growing in population, communications, mineral resources, and industrial and scientific techniques.

### Non-Jewish Communities

The war imposed on Israel by the Arab states in 1948 resulted in the sudden flight of a large majority of Moslem Arabs. There would have been no Arab refugee problem if the flight had not been inspired to serve disorder and aggression when, as in Haifa, Jewish authorities urged the Arabs to remain and guaranteed their security. Of the Arab Christians a much smaller percentage emigrated, about half their number staying as citizens of Israel. Some Arab villages and semi-nomadic tribes remained in their settlements. Of the Arab-speaking Druze community of 15,000 Islamic dissenters, not a single one left the country. These even raised units to join in the Jewish defense, an example followed by other minorities like the Moslem Circassians of Galilee who told the Jewish authorities: "Our people have decided to assist David against Goliath." According to the regional distribution of the non-Jewish population of Israel, 32,000 are townspeople, 120,000 villagers, and about 18,000 nomads.

# SPIRIT AND STRUCTURE OF DEMOCRACY



The Knesset comprises 120 members elected for a 4-year term by universal suffrage and on the basis of proportional representation. "In Israel as in the United States, independence was achieved against a background of maturity in political, social and intellectual matters."

## Arts of Self-Government

Practice of the arts of self-government in Israel did not begin with May 14, 1948 any more than in America it began with July 4, 1776. In Israel as in the United States, independence was achieved against a background of maturity in political, social, and intellectual matters. Under the Palestine Mandate, there were from the beginning social and intellectual tendencies which worked toward a consolidation of the Jewish community or *Yishuv*. Accompanying the growth of its economy, social relations, and intellectual powers, the *Yishuv* developed experience through its own democratically elected Assembly and National Council or Vaad Leumi, in a program of self-taxation and maintenance of educational, social welfare, and judicial bodies; while the Jewish Agency for Palestine performed quasi-governmental functions through its executive sitting in Jerusalem. It was this training in the arts of self-government which prepared the people of Israel for managing their own political, social, and economic affairs when the Provisional Government took over in May 1948.

## Legislation for A Growing Society

Israel's Government is based on the parliamentary system of democracy, in which the executive body is created out of the legislature, known as the Knesset, to which it is responsible. The powers and functions of

local government which, in municipalities and councils, government are laid down in the Transition Law, known as the "Small Constitution," adopted by the Knesset on February 16, 1949. On June 13, 1950, the Knesset voted to adopt a constitution by a process of evolution over an unspecified period: "The Constitution shall be constructed article by article in such a manner that each shall in itself constitute a fundamental law." Thus political institutions, legal forms, and civil rights are solemnly asserted in proclamations and codified in laws — a body of legislation and principles emerging from the framework of the growing society in Israel.

The Proclamation of Independence and of the Provisional State Council (May 14, 1948) laid down the broad democratic principles of sovereignty, political equality, and the traditional freedoms. Analogous to the "reception statutes" of early American history, the Ordinance on Institutions of Government and Justice (May 19, 1948) provided for a continuation of the existing legal system until modified by specific legislation. The Ordinance on Courts (June 24, 1948) established a Supreme Court and subordinate district and magistrate courts. The Ordinance on Elections to the Constituent Assembly (November 18, 1948) was followed by general elections for the Knesset, held on January 25, 1949. The first government was established under the Transition Law of February 16, 1949. The Law of Local Authorities (January 17, 1950) laid down the basis of

may administer the general welfare, promote public works projects, and combine for common purposes in regional councils. The Law of Return (July 5, 1950) proclaimed that "Every Jew has a right to immigrate to Israel."

## The Knesset

The constituent assembly, created in the general elections of January 25, 1949, was inaugurated as the Knesset in Jerusalem on February 14. The Assembly adopted the "Small Constitution" establishing basic parliamentary relationships and procedures, and on February 16 the First Knesset elected Dr. Chaim Weizmann as President of the State. A permanent government, based on a coalition of parties, launched the State on its course of ordered, parliamentary existence on March 10. Thereafter the authority of the Knesset was crystallized, its procedure and practice established, its administrative apparatus set up, and a series of basic laws enacted.

The Knesset derives its antique name from the legislative and judicial body of the Second Jewish Commonwealth, the *Knesset Hagdolah*, and comprises 120 members elected for a four-year term by secret ballot and universal suffrage. All persons permanently settled in Israel, without distinction of race or ethnic community, creed, color, or sex, are entitled to vote. To protect "minorities," the United Nations had directed that elections be held on the basis of proportional representation, so that each political party might obtain legislative membership in proportion to its voting strength. But this electoral device was already old in the democratic system of the Jewish community, though the country, as such, had no representative government under the Mandatory.

The Knesset is the legislative authority in the State and legislation is initiated both by the government and individual members of the assembly. The nine permanent committees, on which various political parties are represented in proportion to their numbers in the legislature, are the House or Knesset Committee; Finance; Economics; Home Affairs; Foreign Affairs and Defense; Education and Culture; Constitution, Law, and Justice; Public Services; and Labor. A Bill, which normally passes through one of the nine Committees for discussion and amendment between the first and second Readings, requires three Readings before it becomes law. Arab members of the Knesset are provided with translations of the discussions by means of a special audio-apparatus, and Hebrew translations of Arab speeches are read immediately after their delivery. Knesset sessions are open to the public, press, and radio. The principle of parliamentary immunity is observed and debates are published weekly in *Divrei Haknesset*, which corresponds to the *Congressional Record*.

## Political Parties

Political democracy in Israel, where there is coexistence of vigorous free enterprise and a variety of purely voluntary cooperative institutions, expresses itself in

a multiparty system, with the traditional breakdown of parties into positions of the left, center, and right. The parties engage in free discussion and criticism, offering various programs or graduated shades of policy in internal and foreign affairs. Experience has shown that agreement by coalition between parties can assure a working majority in the Knesset and governmental stability.

Because Histadrut encompassed the majority of workers in its labor federation, the trend towards unity in the political field expressed itself through Mapai or Israel Labor Party. Mapai asserts that it is "founded on spiritual and political freedom" and that "its internal policy stands for democracy and a State-planned economy based on the development of the cooperative sector in coordination with the development of constructive private enterprises." The General Zionists and the Progressives are the two center parties, representing the liberal outlook of artisans, small farmers, industrialists, merchants, landowners, and members of liberal professions. The General Zionists have defined themselves as "a liberal party calling for free enterprise and a unitary national education independent of party politics." The Progressives, a merger of different economic groups, have defined themselves as "a non-socialist party with progressive liberal tendencies, comprising both middle and workingclass membership." Mapam or United Workers Party, a merger of groups standing to the left of Mapai, and drawing support from the collective agricultural settlements, has in internal affairs advocated the enactment of a socialist program. The United Religious Bloc is a fusion "agreeing with the Government's internal and external policy but insisting on religion as the foundation of the State and its institutions." Herut is a rightist party which has called for "historic boundaries" and "private initiative in the economic and social structure." The majority of Arab Democrats are Christians of Nazareth. The political predisposition of the overwhelming mass of voters in Israel has not been conducive to the growth of a communist party. Among those groups which do not form political parties in the usual sense but maintain their separate identity on the basis of functional group interests are the Yemenites and Sephardim.

## Results of Elections for the Second Knesset

(July 30, 1951)

	Votes	Seats
Israel Labor Party (Mapai)	256,456	45
General Zionists (Center)	111,394	20
United Workers (Mapam)	86,095	15
United Religious Bloc	81,723	15
Herut	45,651	8
Israel Communist Party	27,334	5
Progressives (Center)	22,171	4
Israel Arab Democrats	16,370	3
Sephardim	12,002	2
Progress and Labor (Arab)	8,067	1
Israel Yemenites	7,967	1
Agriculture and Development (Arab)	7,851	1
Small Groups gaining no seats, and invalid votes	11,000	—

120





(left) Sheikh and Bedouins of the polls. (Right) Voting slips bearing party symbols are sorted and counted. "All persons permanently settled in Israel, without distinction of race or ethnic community, creed, color, or sex, are entitled to vote."

More than 30,000 Arabs voted in the elections for the First Knesset. Due to an increase in number of Arabs and their democratic consciousness, about 70,000 Arabs voted in the elections for the Second Knesset, the Arab tickets having polled about 43% of the total national vote. It is estimated that in these elections approximately one-third of the Arab votes were cast for national non-Arab tickets. Israel enfranchised the Arab women (without voting qualifications) for the first time in history. (Syria followed Israel's example, but made woman suffrage conditional on the possession of an elementary education.) Eight Arab members are seated in the Second Knesset: three elected by the Arab Democrats and one each by two other Arab parties, all five members returned on the Arab tickets having declared their general support of the coalition government; of the remaining Arab members two represent the communist party and one Mapam.

## Executive Government

### *The President*

THE KNESSET elects the President by secret ballot and simple majority. His tenure of office is concurrent with its duration and extends for three months of a newly elected Knesset. His chief powers are to charge a member of the Knesset with the task of forming a government, after consultation with party representatives; to dissolve the Knesset and call for new elections, if the cabinet has resigned or no new government commanding a majority can be formed. The presidency of Israel was conceived as a symbol of unity, extending beyond political partisanship, group interest, religious or ethnic membership.

### *The Ministries*

MINISTERS of the cabinet with rare exceptions are members of the Knesset who participate fully in its sessions, act as its administrative heads, and are responsible for

executing its decisions, continuing in office only as long as they retain its confidence. In this complementary executive-legislative relationship, power is vested not in an individual but in a cabinet which can "make orders and regulations within the framework of the existing law," subject to the approval or nullification of the Knesset, and thus not far removed from popular control.

### *The Prime Minister*

THE Prime Minister coordinates all the activities of government and assumes responsibility for its harmonious and efficient functioning. Such duties as establishing broad principles of administration, outlining programs of economic development, and laying the basis for foreign policy, are within the province of his various departments. Thus the Prime Minister submitted, and the Knesset approved, a four-year program; and his various divisions undertook, through engineering and housing projects, tasks for regional planning and rational distribution of the population on a voluntary basis. There are information services through departments of press and radio, a research council to coordinate work in science and technology, a bureau of statistics, a government printer, state archives and library. As chief executive of the cabinet, the Prime Minister has also held the portfolio of Minister of Defense.

### *Foreign Affairs*

THE whole cabinet government is responsible to the Knesset for its foreign policy, with the Minister of Foreign Affairs laying down its lines and acting on matters demanding fundamental decision. The political department of the ministry maintains contact with diplomatic representatives throughout the world; the functional department with international institutions and consular services; the economic department with political aspects of economic activity abroad. Problems relative to the recognition of Israel by 61 nations, the organization of

diplomatic and consular representation, the establishment of delegations to various bodies of the United Nations, negotiation with armistice and other commissions, trade agreements with foreign countries, and the expression of broad principles of foreign policy on the international scene, have been functions of this ministry.

### **Agriculture**

THE Ministry of Agriculture, concerned with soil, water, animals, and plants, has departments of fisheries, animal husbandry, plant protection, forestry, horticulture, field crops, water development, agricultural research and training. Its principal aim under present conditions has been to increase agricultural production in order to expand the base of Israel's self-sufficiency. Its departments supervise agricultural instruction to new immigrants, rehabilitation of both Jewish and Arab citrus industry, planning for national irrigation, allocation of agricultural materials, control of food rationing, and various research projects.

### **Commerce and Industry**

THE authority of the Ministry of Commerce and Industry lies in the areas of crafts and industries, concessions, mining, weights and measures. The function of the industry department is to increase the means of production, of the trade department to expand exports. Price control and rationing are under its supervision. The Investment Center of this ministry provides information on problems connected with investment of capital in Israel and confirms approved undertakings in accordance with the Encouragement of Capital Investment Law, whose aim is to assist the prospective investor in every way to achieve the industrial expansion needed to employ immigrants and keep the country supplied with consumers' goods.

### **Finance**

THE Ministry of Finance regulates state budgets, currency and bonds, taxes, excise duty, banking, national income, and other financial categories. Taxes flow from laws with regard to income, profits, luxury, inheritance, customs, and other imposts. Foreign and domestic loans are implemented. Departmental budgets of government are combined into an overall estimate of expenditure (*taktiv*) directed towards "balancing the budget" and making equitable allocations. Its economic division deals with policy and research, control of foreign currency, banks and insurance.

### **Labor and Social Insurance**

THE activities of the Ministry of Labor and Social Insurance embrace many phases of the country's life. It is concerned with the acute problem of directing immigrants to sparsely settled regions, housing them, teaching them trades, placing them in jobs, and generally fitting them into branches of the economy requiring development. Complexities rising from a rapid influx of immigration, problems of a post-war labor market, emergency villages and large-scale public works, technical training in occupations, the handling of labor disputes and claims, supervision of cooperative societies and workmen's com-

pensation, have been the various spheres of this ministry. The National Insurance Act, passed by the Knesset on February 12, 1952, provides for industrial accident and old age insurance, pensions for widows and orphans, and maternity insurance. Labor laws governing hours of work, weekly rest, and paid annual vacations came into force in October 1951.

### **Social Welfare**

THE pattern of the Ministry of Social Welfare combines care of the immigrant, rehabilitation of invalids, support of the aged, and specialized education and guidance of youth, through a network of children's villages, homes, orphanages, and other institutions. There are 121 sections for the organization of immigrant welfare. A division is in close contact with 90 child placement institutions, for most of which the ministry provides equipment and teaching staff. A child nutrition scheme has expanded on an increasing scale. A foundation has been laid for professional social work among the Arab population, with welfare bureaus in Nazareth, Acre, Lydda, Ramle, and centers in the Galilee.

### **Education**

FOR youth, the regulation of the school system and compulsory education for children aged 5-13 and for youths 14-18 who have not completed their elementary education; in the adult sphere, "a decent cultural level for every man and woman in Israel" — are the chief tasks of the Ministry of Education. The main problems rise from directing a rapid expansion of school attendance and supervision, without lowering existing standards. In the development of Arab schools there was a 100% pupil increase, and due to the children of Jewish immigrants an increase of 270%, in less than three years. Intensive Hebrew language courses are attended in camps, towns, villages, and cultural centers. A department conducts activities for religious culture, others promote the foundation of libraries, musical events, physical culture, and the exploration of archaeological antiquities.

### **Interior**

THE Ministry of the Interior, concerned primarily with local government, is engaged in bringing a more active democracy into municipal life and among groups of the population, through various divisions occupied with town and village building, press and radio information and films. Within this ministry's orbit come local and national elections. One of its departments helps to integrate Moslem communities into the public life of the nation, to reunite families, move skilled workers to new places, find housing, and guide local councils; another deals with problems of local authority, planning village and town projects.

### **Health and Immigration**

DIVISIONS of the Ministry of Health deal with sanitary engineering phases of public hygiene, social medical problems of various diseases, medical services to immigrant camps, and hospitalization. The pressure of im-



migration from some fifty-two countries demanded great exertion from agents of the Ministry of Immigration. Though its task of setting up reception centers and immigrant camps or *maabarot* was taken over by the Jewish Agency, it continued to operate through divisions issuing immigration permits and visas, a frontier control department, and a section whose task was to develop tourist trade through an expansion of hotel facilities, information stations and guides, as well as to extend hospitality and accommodations to religious pilgrims. Recently these activities of the Ministry of Immigration were transferred partly to the Ministry of Interior and partly to the Ministry of Foreign Affairs.

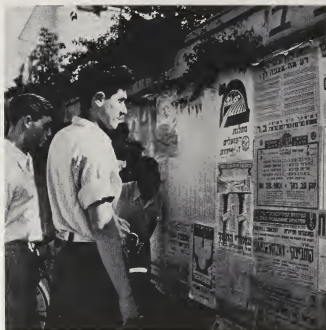
### Religious Affairs

THERE is no established church in Israel, none enjoying legal privileges not accorded to other ecclesiastical bodies. The jurisdiction of the Ministry of Religious Affairs therefore is not over "religion" but over "religions," and is thus concerned with the protection of the institutions and established mores of Jews, Moslems, and Christians. According to the Basic Principles of the Government Program, approved on March 9, 1949 by the Knesset: "The State will provide for the religious needs of its inhabitants but will prevent compulsion in matters of religion." The work of the ministry is connected with the procedural supervision of religious courts which have jurisdiction in such matters of personal status as marriage and divorce. In the Jewish sector, the religious affairs division facilitates activities connected with Jewish holidays, ceremonial practices, places of worship, and rab-

binical offices, and gives subsidy to rabbinical courts. In consultation with the Moslem and Druze communities, traditional spiritual authorities are set up, judges appointed, and places of worship subsidized. The work of the department of Christian communities is based on the principle of absolute non-intervention in internal religious affairs and they are not dependent on government financially. In accordance with a policy laid down during the first year of the State, special attention has been devoted to questions of their properties, safeguarding of Holy Places, and such matters relating to pilgrimages as passage across border lines. A ministerial division for war sufferers has distributed contributions or loans in cases of injury or the property damage of individuals and agricultural areas.

### Justice

THE existing judicial system is a coalescence of inherited legal codes. The Supreme Court, consisting of a president and six judges sitting in Jerusalem, is appointed by the Knesset upon the recommendation of the Ministry of Justice, which also appoints civil judges with cabinet approval. There are three district courts in Jerusalem, Tel Aviv, and Haifa, and sixteen magistrates' courts. All citizens, Jewish, Moslem and Christian are under the jurisdiction of the general courts, except for matters of personal status. There is no trial by jury or civil marriage and divorce. Prosecution of criminal cases, suits related to commerce and land, as well as land registration are under the jurisdiction of the Ministry of Justice. The Ministry has established an institute to study the



(Left) A voter scans the billboards. (Right) Newcomers wait to vote. "Political democracy in Israel, where there is coexistence of vigorous free enterprise and a variety of purely voluntary cooperative institutions, expresses itself in a multiparty system."

codification of rabbinic law insofar as it is reflected in all pre-existing sources and regulations, as well as current legislation in the light of traditional Hebraic law.

### **Police**

WITH scientific apparatus made in America, a fingerprint bureau, departments of administration, training, and criminal investigation based on advanced models, the Ministry of Police has in four years evolved a modern organization and approach adapted to local conditions. In view of the social problems inherent in the rapid growth of population, the prisons have installed educational activities, courses in Hebrew, libraries, films, radios, some workshop and farm projects, and social welfare activities for prisoners and their families.

## **"A Program for Progress"**

The second Knesset approved the new coalition Government (October 8, 1951) headed by Prime Minister David Ben-Gurion, who addressed it on "A Program for Progress" which included the following principles: A democratic regime will be ensured by the passing of a series of basic laws guaranteeing complete equality of rights to all and the common freedoms and liberties of the individual, which together will form the State Constitution. Government will strive for the preservation of world peace, the strengthening of the authority of the United Nations, the achievement of a lasting peace with neighboring countries, and cooperation with them in the development of the Middle East.

The security of the State, the ingathering and integration of immigrants, and the speedy development of the country's natural resources will be the focal points of Government activity. It will devote itself to intensive expansion of agriculture and industry, transport and building, in order to insure the State's economic independence and the maximum supply of its domestic needs. It will urge the expansion of agricultural settlement, the development of the Negev, the drainage and close settlement of the Huleh, the revival of barren hill country, the afforestation of extensive areas in all parts of the land, and the channeling of a considerable proportion of new immigrants to all types of agricultural settlement.

Special consideration will be devoted to the increase of labor productivity, managerial efficiency, improvement of the quality of output, a large-scale housing program, and the efficiency of civil service. Compulsory social insurance for the entire population will be introduced in stages, covering hospitalization, childbirth, sickness, old age, widowhood, disability, and unemployment. The workers' freedom of association will be assured and the principle of collective bargaining with employers will be encouraged; liberty to strike will be guaranteed; machinery for preliminary arbitration to avoid labor disputes will be set in motion. Special legislation will protect the rights of working women, who will be guaranteed

### **Communications**

THE Ministry of Communications supervises operation of postal, telephone and radio communications, road and air transport, railroads and the Israel Merchant Marine, as well as fuel rationing. The old railway has been gradually rehabilitated, public transport system extended, and the Israel mercantile marine for passengers and freight has made marked progress. Approximately 60% of immigrants coming by sea have been carried in Israel ships from European coasts of the Mediterranean. There are freight lines plying between Israel and European ports, and cargo trade to the coasts of the United States and elsewhere. Lydda Airport serves some fourteen regular airlines, including the Israel line El Al.

paid leave during pregnancy and childbirth, as well as benefit from the establishment of special centers for the care and education of working mothers.

A program will be drawn up for the inclusion of all elementary schools in a State education system based on a standard and compulsory minimum curriculum, reserving to parents the right to decide on the features and scope of the education. The network of State schools will devote special attention to providing youth with vocational training as artisans, industrial and building workers, agriculturists, and workers in sea, land, and air transport services. Arab and other groups in Israel will be assured full equality of rights and duties in civic, political, economic, social, cultural and other spheres; Government will help in the permanent resettlement of villagers uprooted from their lands as a result of the war; Arab children will be assured education in the Arabic languages (with Hebrew as a second language); equal pay will be guaranteed for all workers who do the same work, in all Government undertakings. "Freedom of conscience and of religion will serve the Government as a lodestar in all its activities. The State will satisfy the public religious needs of the people scrupulously and will tolerate no coercion of whatever kind and from whatever source in matters of religion."

Government will cultivate trade relations with all countries on equal terms. "The Government will give special encouragement to every form of sound economic initiative, and will make every effort to attract private and public capital and to stimulate private initiative. It will improve the measures for attracting foreign capital for the expansion of industry, handicrafts, agriculture, communications and building, and will offer facilities to foreign capitalists investing in essential development projects. The Government will foster workers' economic enterprises in town and country and the expansion of labor settlement and cooperatives in all forms. There will be no discrimination whatsoever as between private or cooperative enterprises operating inside the framework of the law."



### Artisans, Workers and Businessmen

There are six central labor organizations in Israel: Histadrut (General Federation of Jewish Labor), with about 430,000 members; Mizrahi Workers, with 30,000, and Agudat Israel Workers, with 20,000, the latter two labor organizations characterized by religious orthodoxy; National Workers, with 18,000 members, distinguished by associations of the Herut type; Israel Labor League, with 11,000 members, an Arab trade union working in close collaboration with Histadrut; and Arab Trade Union Congress, with about 2,500, many of whom are communist members. In all cases, except the last, one or more of Histadrut's insurance, cooperative, or market-institutions are shared.

Histadrut, founded in 1920, has a membership of 280,000 in towns and 150,000 in agricultural settlements and villages. About 75% of the wage-earners (in a country where about 90% of all industrial and agricultural workers are union members) belong to Histadrut; with their dependents they represent over half the population. Histadrut maintains a separate organization of some 22,000 Youth Workers under 18 and a Women Workers' Council of female wage-earners and wives of members. Its Agricultural Center represents the members of cooperative and collective settlements and hired farm workers. Membership dues are levied on a progressive scale based on earnings. Under the Mandatory, in addition to usual functions of a trade union, Histadrut began to provide social services, not otherwise available, for the medical, insurance, housing, vocational educational and cultural needs of its members.

What distinguishes Histadrut from labor organizations in other countries is its independent economic activity. This has been a direct result of colonization and settlement problems which faced immigrant pioneer groups unable to organize agricultural or industrial enterprises, except by cooperation, at a time when private economic interests had not yet found development sufficiently profitable, and other labor cheaper. Histadrut established independent economic projects of its own in

cooperative and collective agricultural settlements, industrial production and handicrafts, building and contracting, transport and seafaring, marketing and retail co-ops, banking and insurance. Histadrut also engaged in joint activity with private capital. It has played a pioneer role in development of the country.

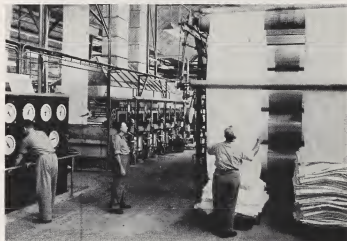
Among industrial and trade organizations of Israel, there are Chambers of Commerce in Jerusalem, Tel Aviv, and Haifa, with a total membership of 2,167. The Manufacturers' Association of Israel has 1,300 members representing such industries as textiles, metal and electrical goods, foodstuffs, tobacco, chemicals and pharmaceuticals, cosmetics, building materials, furniture, stationery, diamonds, and fashion industries. The Workshop Owners' Association has a membership of 10,000 workshops encompassing 40,000 workers who are organized either as artisans in self-owned workshops (watchmakers, shoemakers, etc.) or services (laundries, cleaners and dyers, etc.) or small industrial workshops employing from three to six workers. These industrial and trade organizations issue publications, and the manufacturers maintain a permanent exhibition and an industrial library.

### Ways of Agriculture

There are three central agricultural organizations. Agricultural Workers' Center, affiliated with Histadrut, represents 214 collective and 204 cooperative settlements, with a population of some 115,000, farming about 337,500 acres of land. Agricultural Council, which unites 2,700 smallholdings farming about 38,250 acres, represents such elements as individual smallholder farmers, purchasing and marketing cooperatives of various smallholder settlements, and cooperative villages of smallholders not affiliated with Histadrut. The 4,000 members of Farmers Federation cultivate about 67,075 acres, including 23,750 acres of citrus groves. In 1899, 22 farming settlements with about 5,000 inhabitants worked about 75,000 acres. During the agricultural year 1951-52, the area under cultivation in 597 Jewish and 103 non-Jewish settlements amounted to 950,000 acres.



Pharmacy in Tel Aviv. In the Tel Aviv-Jaffa region are two-thirds of Israel's industrial plants, mostly light industry.



Textile factory. Some 119,000 (23% of workers) are in industry. Population grew 120% in 4 years, with no unemployment, a world record.



Showroom of a refrigerator assembly plant, geared to make 40 to 60 units per eight-hour shift, both for domestic consumption and export.



Housing and construction in thousands of units at a tempo parallel to the influx of immigrants into the working community; all have been provided with a roof.

## Pioneer Stock...Modern Techniques



A village in Galilee on soil redeemed from the aridity of centuries. New types and varieties of crops, and proper seed selection, combine to produce a bountiful harvest.





o immigration. "Israel has evolved successful methods for absorbing  
at over their heads and almost all are earning a living by their own work."

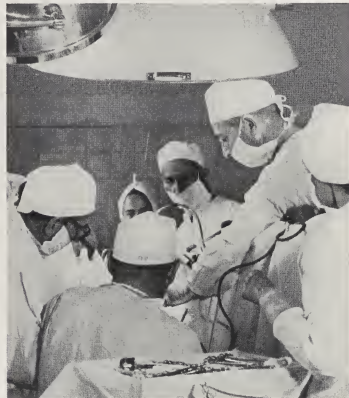


Arab villagers get anti-TB injections from mobile unit. Public clinics are  
open to all and 28 specialize in rural Arab areas, including Nazareth,  
Acre, Jaffa, Lydda, Ramle, Eastern and Western Galilee.

## ...Political Literacy...Progressive Western Institutions...Are Basic Features



"Irrigation and drainage, scientific crop rotation, application of fertilizers,  
d to develop an intensive and diversified type of farming."



Operating theater, representative of modern medical facilities and  
institutions available throughout Israel to all its inhabitants.

When pioneer Jewish farming began in its primitive setting, between sand dune and swamp, against stone and desolation, the average yield of wheat per acre was about 10 bushels, a hen might lay about 70 eggs a year, and a cow, which half an acre of soil did not yield enough fodder to feed, gave about 850 quarts a year. Because early farm projects, except for citrus-growing, attracted to the unredeemed soil only persons capable of enormous self-sacrifice and mutual aid, agriculture has been largely organized on some kind of cooperative basis. All these forms have risen naturally from circumstance and necessity in a purely voluntary way. The varied agricultural organizations are run by members in complete freedom and democracy. Funds gathered as contributions toward "land redemption" from Jews throughout the world were used to purchase land and lease it both to cooperative groups and private individuals, on the biblical principle "And the land shall not be sold in perpetuity." There are seven types of rural settlement.

## Types Of Rural Settlement

### **MOSHAVOT** Number: 42 — Pop.: 98,000

These are conventional rural villages based on private land ownership and private enterprise, such as Herzlia (pop. 13,000) and Hadera (pop. 18,000), predominantly agricultural places whose population is rising rapidly owing to the new immigrant centers or *maabarot* in the village area. Rehovot and Rishon-le-Zion have attained municipal status.

### **KIBBUTZIM** Number: 214 — Pop.: 73,000

Property and work are organized on a collective basis. Members give their labor to the common stock and receive the satisfaction of their needs in accordance with the financial means of the settlement. Domestic, social, cultural services are provided communally. Individual living quarters provide personal privacy. The settlement is governed by the general assembly of all its members. Though predominantly agricultural, some industrial projects are operated. The population ranges from 60 in the smallest to 6,000 in the largest. The oldest is Degania, founded in 1909.

### **MOSHVEI OVDIM** Number: 178 — Pop.: 63,000

These workers' cooperative smallholder settlements are founded on principles of mutual aid and equality of opportunity. All farms are equal in size, hired labor is prohibited, each individual farm is worked by the member and his family. But the produce of these farms is sold through a central cooperative and all purchases for the village are undertaken cooperatively. Certain types of agricultural equipment are owned by the settlement as a whole and operated cooperatively. The supreme authority is the general assembly of members. Administration is by an assembly-elected council. No transfer of a farm or acceptance of a new member is possible without the agreement of the village council. By its nature, this type of settlement is purely agricultural

and ranges in population from 100 to 1,000. The first settlement of its kind was Nahalal, established in 1921.

### **MOSHAVIM** Number: 41 — Pop.: 6,000

These are smallholders' settlements in many ways resembling Moshvei Ovdim, but without their rigid principles: hired labor, for example, is permitted. The first of such settlements, Ramat Hashavim (pop. 500) was set up by immigrants from Germany in 1933, and the villages of this group are normally called "middle class" settlements to differentiate them from Moshvei Ovdim of the labor movement. There is no completely standard type within this group, some being established on privately-owned and others on nationally-owned land.

### **MOSHAVIM SHITUFIM** Number: 26 — Pop.: 3,000

These settlements are based on communal property and work as in the Kibbutzim, but each family, as in the Moshvei Ovdim, has its own house and is responsible for its own domestic services, such as food, laundry, and child care. Each family receives payment of money in accordance with its size and needs. This type of settlement tends to develop industrial projects supplementary to its agricultural work. The population ranges in size from 60 to 300. The first of its kind was founded at Kfar Hittin in 1936.

### **MAABAROT** Number: 23 — Pop.: 10,000

Deriving their name from the Hebrew word for "transition," the independent Maabarot and work villages have been created to absorb new immigrants and are intended to become permanent agricultural settlements of one or another established type. In addition, more than 100 Maabarot with over 65,000 dwellers were in 1950 set up in the vicinity of urban and rural centers as part of their communities, though some will achieve administrative independence.

### **ARAB VILLAGES** Number: 102 — Pop.: 120,000

According to the regional distribution figures early in 1952, the non-Jewish population of Israel consisted of some 32,000 townspeople, 120,000 villagers, and about 18,000 nomads. The traditional Arab village has been largely patriarchal, the vast majority being small peasants, farm tenants, agricultural laborers. Ownership of land has ranged from freehold to common village property divided for cultivation every two or three years. Holdings parcelled into small strips of land located in different parts of a village have generally led to low productivity. Thus the main feature of Arab agriculture before the establishment of the State was its semi-feudal tendency. The Arab farming area was increased by the government of Israel, by doubling and trebling the tenant's share, as well as by providing modern equipment and instruction. Bedouin tribes in the Negev were given agricultural loans and public works employment. Up to the summer of 1951, 85 Arab cooperatives had been established, 23 of these, numbering 900, with the aid of Histadrut.



"In the speech, attitudes, songs and games of the schools, children of immigrants find each other on common ground."

### Education of Jewish and Arab Youth

The Jewish school system as a whole attempts to synthesize, through the medium of vernacular Hebrew, a biblical and historical heritage with the best in modern educational experience. It is in the speech, attitudes, songs and games of the schools that the children of heterogeneous immigrants can find each other quickly on common ground. With a steady yearly immigration of about 200,000 provided with free and compulsory education from 5 to 13 years (and all to 18 who have not completed it in their underprivileged past abroad), there was in 1950-51 an enrollment increase of 270% in less than three years.

There are four established school trends, each guided by a supervisory organization unified by government, providing eight elementary and four secondary years of study, mainly coeducational, with the curriculum about the same as in western institutions. Local authority is under legal obligation to provide for schools of recognized trends in accordance with the wishes of the parents. In 1951, 583 schools with 76,677 pupils (32.7% of the total enrollment) were general schools, with emphasis on liberal education, academic studies and an understanding and appreciation of Jewish culture; 1,109 schools with 78,442 students in agricultural settlements and towns (37.3% of total enrollment) were labor schools dedicated to the aim of establishing a model labor community based on the ideals of Jewish life and culture; and 577 Mizrahi (18.5%) and Agudat Israel (6.6%) schools, representing a distinctly religious approach to Jewish education and to all aspects of Jewish life. Of non-affiliated schools there were 74 with 9,041 pupils (4.9%); so that with the labor and general schools, which are predominantly secular, this type constituted about 75% of the total enrollment.

The Hebrew University in Jerusalem, formally opened in 1925, has faculties of the humanities, science, medicine, law, agriculture (in 1951 an enrollment of 1,862

under a faculty staff of 290) where Moslem, Christian, and Jew may study under teachers ranking with the best in older universities, in fields which few other institutions can offer. The faculties of Haifa Technion, opened 1924, have engineering, technical, and nautical schools, evening courses for workers and extension services for agricultural settlements. There are 135 schools, including seminaries, for the study of Judaism. On the adult level, a network of miscellaneous projects reaches out into every settlement and transition camp.

While the Jewish community under the Mandatory era maintained its own school system, the Arab depended largely on government and foreign missions. An average expenditure per Arab child considerably higher than the corresponding outlay for Jewish schools, has enabled the government of Israel to accelerate progress in Arab elementary education. The 46 schools, 186 teachers, and 7,147 pupils of 1948 had grown by 1950-51 to 102 state-maintained schools, 628 teachers, and 26,000 pupils, including 8,700 girls — an increase of 122% in schools, 238% in teachers, and 240% in pupils. There are about 50 private schools under foreign missions and church institutions. Not one pupil for every fifteen Arab citizens now attends school but one for every six; not 45% of school-age children but 90%. Moreover, 35 Arab villages have schools for the first time; 4,253 Arab children attend state-maintained kindergartens, an institution previously unknown; and the proportion of girl-enrollment has risen from 20% to 34%. In the school year 1951-52, 27,151 children attended Arab schools, including kindergartens, under 708 teachers. Coeducation, abolition of corporal punishment, modern teaching methods, secondary school extension courses, evening classes for Arab working boys, basic training for new Arab teachers, and matriculation examinations for Arab university students, are revolutionizing the literacy status of the Arab community in Israel.



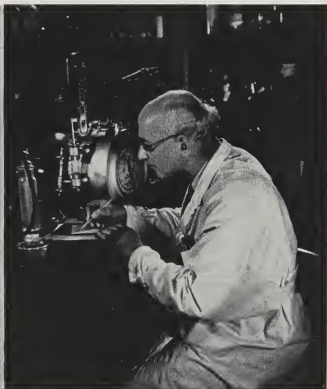
## Information, Entertainment and the Arts

The quality of culture and entertainment in Israel compares favorably with any in the world. The renaissance of Hebrew in schools, homes, newspapers, theaters, shops, streets, and on farms is in itself a modern phenomenon. It is the solvent of a multilingual immigration and of plural folkways. Contemporary Hebrew letters has poets, novelists, critics, and journalists of distinction. Some fifty publishers issue annually over 900 volumes through the two hundred booksellers and two book-clubs for about a half million habitual readers. The classics of Greek and general philosophy, literature from Dante and Shakespeare to the latest modern works from the French and German, English and American, Russian and Arabic, are read in modern Hebrew. Of persons whose literary habits were polled by the Israel Institute of Applied Social Research, 74% read at least a book a month.

Israel has five theatrical companies, their specialties ranging widely from classical repertoire to topical social satire and musical revues. In 1950, for example, they produced not only plays by living and classic Hebrew playwrights, but dramatists like Shakespeare, Dekker, Goldoni, Moliere, Gogol, Giradoux, Coward, and Wilder. There are eight orchestras, among which the leading Israel Philharmonic gave 139 concerts in 1950 attended by 283,500 people. Opera is also a mass entertainment in Israel; there are eighteen musical conservatories (3000

piano students in Tel Aviv alone) and many permanent chamber music units; some one hundred choirs active throughout the country; a dance festival held periodically at Kibbutz Dahlia in the Ephraim Hills, and a music festival every Passover at Ein Gev on the Sea of Galilee. A great vitality in the creation of new music and the folk dance is manifested in Israel. An ethnological institute eagerly records traditional folk and dance music surviving the catastrophe of Jewish communities abroad in the immigrant camps — folklore art being the only possession in which these camps may be called rich.

There are museums of art in the main cities, some regional historical and archaeological collections, numerous art galleries and schools, notably Bezalel, and already several generations of gifted painters and artistic craftsmen who have exhibited with success in Paris and New York. Government-sponsored "artists' houses" and art colonies are developing in Safed, Jerusalem, and elsewhere. Attempts have been made to arrive at a national style in architecture in such structures as Herzlia Gymnasium, Technion, and the Hebrew University-Hadassah Medical Center. For the present mostly imported films come to the 111 moving picture houses in towns and rural areas. Track and field sports, basketball and boxing, folkdancing and hiking are popular sports. The Israel State Broadcasting Station is on the air fifteen hours daily in Hebrew, Arabic, English, French, and other languages intelligible to the new immigrants. In



Opera is a mass entertainment, while scientific manpower exists in the same ratio to total population as in the United States.

Arabic, the radio's Voice of Israel broadcasts general and parliamentary news, lectures on popular subjects, Arabic music, readings from the Koran, and greetings to their relatives abroad from Arabs in Israel. Christian services are broadcast on Sundays and special religious programs on both Moslem and Christian holidays.

A population of only a million and a half supports fifteen morning and three afternoon daily newspapers, including twelve in Hebrew, one in Arabic, and one in English (according to UNESCO, at the end of 1951, their total daily circulation in Israel was 248,000); sixty illustrated, technical, community, or party weekly and fortnightly journals in Hebrew, and eleven in other languages; and some ninety technical, literary, religious, art, and party monthlies and quarterlies, mainly in Hebrew. The variety and maturity of the Hebrew press, only one generation old, devoted to politics, literature, arts, science, and general news, can stand comparison with the supply of information and criticism of most countries.

## The Uses of Science

One network of health institutions is that supported by the American women of Hadassah who, for forty years, have steadily introduced American techniques and equipment, fostering a "two-way passage" of experts and research workers between Israel and the United States. In seven hospitals of Jerusalem, Beersheba, and Safed; through its maintenance of the Hebrew University-Hadassah Medical School; by means of some hundred welfare stations and other public health services, Hadassah has established permanent models for further development. The most important of the local health organizations is Kupat Holim, the Sick Fund of Histadrut, which has its hospitals, clinics, dispensaries, welfare stations, pharmacies, and convalescent homes. In 1951 there were altogether 84 general and special hospitals with 7,617 beds, not including the military, or those of Malben which maintained 1,710 beds for chronic cases. Magen David Adom, the equivalent of Red Cross in whose international body it is chartered, has 35 first aid stations and a hundred ambulances.

Though social welfare institutions are conducted on a non-sectarian basis, there are nine specialized urban and twenty-one rural welfare units in Arab districts, Nazareth, Acre, Jaffa, Lydda, Ramle, eastern and western Galilee. Social assistance includes food distribution to the needy, medical care, help to children and youth, nutrition in schools, distribution of clothing and baby care. While public and government clinics are accessible to all and give free hospitalization, twenty-eight specialized clinics serve in Arab areas, four of them in outlying areas of the Negev and Galilee being mobile units. Classes in social work, nursing, and handicrafts have been organized.

Scientific research in the natural sciences, and in branches of technology related to development of industry and agriculture, are carried on by government and private institutions. The areas of research coordinated by the Israel Scientific Research Council are minerals and

fuel, experimental medicine, subterranean water, general biology, cystology, problems of citrus industry, petroleum, meteorology, housing and building materials. Over a hundred research scientists of the Weizmann Institute of Science at Rehovot are at work in departments of organic chemistry, experimental biology, isotopes, applied mathematics, biochemistry, polymer research, and optics. Government maintains a number of agricultural research stations: in animal husbandry, sea fishing and fish breeding, forestry, vegetable raising and field crops; while the Agricultural Research Station at Rehovot has departments in agronomy, horticulture, agricultural produce and chemistry, citriculture, forestry, etc.

A 1949 survey of scientific manpower in Israel revealed 700 scientists in all branches from mathematics to medicine, a figure which indicates the same ratio to total population as in the United States, the country with the largest scientific personnel. After 1949, scientific manpower accelerated the exploration of such natural resources as minerals, water, food, housing materials, as well as industrial production processes and medicine. Pure and applied science, fundamental research and solution of practical problems of sociological importance, have engaged the scientific institutes — the Hebrew University in Jerusalem, the Hebrew Institute of Technology "Technion" in Haifa, and the Weizmann Institute of Science in Rehovot — on such questions as: What is the nature of synthetic cancer-producing substances? What are the possibilities of the chemotherapy of tuberculosis and leprosy? How can agricultural products find outlets other than the food market — for instance as starting materials for chemical industry? How can pharmaceutical and dyestuff industries be made independent of coal as raw material? How can de-salting of saline water unfit for plant and man (in the Negev, Haifa Bay, and Beisan-Lower Jordan Valley areas) be adapted to agricultural purposes? The scholars who have given their knowledge to the State have hoped that some of their solutions might prove useful to other countries, especially those in the Middle East.

A vigorous program of research by the Israel Department of Antiquities, and the excavations accompanying intensive new settlement by immigrants, have resulted in a rich crop of archaeological finds. Among late discoveries have been a Roman theater, Byzantine wine-presses and a glass factory, a Hellenistic cemetery, a Greek trading center of about 500 B.C.E., tomb chambers contemporary with the Second Temple, Early Bronze Age and prehistoric sites. Modern Tel Aviv has also been the scene of archaeological activity, with excavations at Tel Qasile on the banks of the Yarkon River and other ancient sites of this valley. The remains of six different cultures were found: evidence of fishing activities dating from the period before Abraham, and the wall of a fortification built by the Hyksos. The Hebrew University has acquired some of the Dead Sea Scrolls, sensationally discovered in 1947, whose publication and evaluation are eagerly awaited by Jewish and Christian scholars.



## The Promise Depends on the Means

The economic structure of Israel progressed so rapidly that with its Four Year Development Plan, 1950-1953, the promise of an industrial revolution is imminent — if the means to consolidate the economy under the pressure of immigration can be speedily achieved. Its population — into which periodic cycles of immigrants have brought skills, energy, or capital — has more than doubled since 1948. New natural wealth discovered underground only awaits exploitation. The first mass-production industries — automobiles, shoes, watches, pipe, fertilizers — have established a foothold. Today Israel has been transformed into the most industrialized economy of the Middle East. Israel is closer to self-sufficiency than at any time since it attained statehood. A further expansion of production in agriculture and industry, keeping in step with the continuing mass-immigration, is its foremost economic task. The old prediction that Israel would become another Switzerland in a Middle Eastern setting requires only the last installment of initiative and know-how to become an economic fact.

## A Western Occupational Structure

The occupational structure of the Jewish working population in Israel is comparable to that characteristic of western economies rather than of that obtaining in the Middle East, Africa, and most of Asia and Latin America, where from 50% to 80% of the working population is engaged in agriculture. In 1950 the Jewish working population was 395,000; it rose quickly in 1951 to 510,000, and had the following occupational structure:

Agriculture .....	70,000	14%
Industry .....	119,000	23
Building .....	50,000	10
Transport & Communications (excluding Postal Services, Railways & Ports) .....	28,000	5
Commerce & Finance .....	85,000	17
Free Professions .....	40,000	8
Civil Service (including Police) .....	22,000	4
Public Services (Local Government; Public Works; Jewish Agency; Health; Welfare Institutions; Etc.) .....	96,000	19

**TOTAL** ..... 510,000 ..... 100%

The basic sectors of distribution in Israel — industry and building 33% and agriculture 14% — resemble distribution of the gainfully employed in the same areas in the United States (September 1950) where 33% was in industry and related fields and 14% in agriculture, mining, and fishing. Other sectors of distribution in Israel are transitional.



Quarries near Haifa. "Industry in Israel is the most important source of employment and national income . . . is receptive to progress and offers scope for the creative talent of both free enterprise and the teamwork of the community."

## The Rise Of National Income

Israel's national income in 1951, including the non-Jewish population, amounted to an estimated IL 440 million. This represented a steady rise from IL 337 million in 1950 and IL 250 million in 1949. By 1950 the average income per head of population had reached IL 266, which government, through its austerity program, sought to channel to savings and investment, so that it was not reflected in increased consumption. But already in 1949 — when primary production (agriculture and fishing) was 13% of the total production

value of goods and services, secondary production (industry and building) 36%, and tertiary (transport, trade, finance, professional and other services) 51% — the per capita income achieved in Israel compared favorably with that of older industrialized economies of the world. For according to United Nations statistics (U.N. Statistical Papers, Series E, No. 1, October 1950), already in 1949 Israel's per capita income was somewhat higher than industrialized Czechoslovakia's, exceeded Hungary's by 30%, Poland's by 45%, Italy's by 65%, and was more than double Yugoslavia's. It was about 20% smaller

than that of France, but compared with Middle Eastern countries, Israel's per capita income was four times higher than that of Egypt and Syria.

## Planned Transformation of Land

Israel's agriculture is the product of a planned transformation of swamps, sand dunes, and eroded hilly areas, motivated by the ideal of placing an ever-increasing number of farmers on the land. After about three-quarters of a century of sacrifice and effort, two principal branches of agriculture emerged: diversified farming and citriculture. Irrigation and drainage, scientific crop rotation, application of fertilizers, new types and varieties of crops, and proper seed selection, combined to develop an intensive and diversified type of farming. Thus not only could a family maintain a fairly high standard of living on about six acres, but large numbers of farmers could find living-room on the relatively small area of available land. Intelligent use of tractors and combines greatly multiplied the production per worker in cereal farming. The introduction of new breeds, cross-breeding, and scientific feeding, raised the output of livestock. While citriculture developed and achieved a highly important role in the economy as an export crop, the food requirements of a country growing by leaps and bounds stimulated the expansion of diversified farming.

## Agricultural Production Expands

Of the 136,750 acres under cultivation in 1949-50, some 82,500 acres were irrigated. From 1948 until the end of 1950 alone, 260 new settlements had been established, of which 215 were agricultural, so that 60,000 immigrants had been very rapidly absorbed in purely agricultural fields. The cultivated area of Israel in the farm year 1949-50 increased by 50% as compared only with the area under cultivation in the preceding year. The total population increased by 22% from 1949 to 1950, but the production of diversified farming increased by about one-third. Agricultural activity by Arab farmers (cereals, vegetables, eggs, milk, fruit) also flourished because of the good market for their products. Despite a rapidly growing nation, the volume of food which had to be imported mounted only slightly; but the gap between agricultural production and increase in population remained to be closed. Though the government austerity program and its foreign exchange policy were important factors in the reduction of food imports, this would have been quite impossible had not Israel been moving steadily toward greater agricultural self-sufficiency as the following comparative record of agricultural production shows:

	1947-48	1951
Milk .....	81,200,000 liters	117,000,000
Eggs .....	163,000,000 eggs	400,000,000
Vegetables & potatoes .....	78,500 tons	308,000
Fresh fruit (excluding grapes & citrus) ..	10,700 "	14,000
Grapes .....	9,150 "	14,500
Grain crops .....	15,000 "	47,500
Irrigated fodder crops .....	10,000 "	600,000
Fish catch (sea, lakes, ponds) .....	2,650 "	8,800

## The Target:

### Agricultural Self-Sufficiency

The agricultural development plan of Israel aims at a self-sufficiency in food and fodder brought up to about 80% as compared with the 50% reached by 1947, and this at a time of mass-immigration. To restore citriculture (oranges, grapefruit, lemons, etc.), Israel's most important export, whose overseas markets were closed during World War II and whose groves were damaged during the War of Independence, new plantations are planned on some 7,500 acres. One target of agricultural policy is the extension of cultivated areas, such as the green fodder and vegetable projects in the Negev, the production of fruits like bananas and grapes and of subtropical varieties on irrigated soil, and of the fish pond area already doubled since 1946-47. Another target is the increase of agricultural commodities: since 1946-47 the production of poultry farming and vegetable growing has doubled; dairying, an activity limited by the number of cattle raised and size of irrigation area suitable for fodder, rose only 20%, but mixed farming as a whole showed until 1949-50 a 50% expansion; and fodder cereals trebled. An important feature of Jewish rural life has been the rise of workshops in a number of agricultural settlements, engaged in such industries related to agriculture as fruit and vegetable canning and the manufacture of agricultural machinery. In some settlements during this period of adjustment, industrial and handicraft activities have accounted for about half the income.

Considering that there are reserve land areas in a preparatory stage which cannot yet be productive, and that thousands of young settlement members work in road construction and in other essential public works projects of a rapidly-developing nation, the prospects of bringing farming to a level and size adjusted fully to the needs of the country can be said to be on the way to realization. The overall picture is promising. Some 150,000 farmers and their families in Israel live mainly from agriculture, including citriculture and afforestation — excluding non-Jewish farmers, a number roughly double that in 1946-47, with the total agricultural production 85% higher.

## Industry:

### An Arsenal for Democracy

There has been sufficient progress in industry to put it on top of all other branches of the economy in Israel, both as an employer and contributor to the national income. Economic independence is the goal to which Israel has been speeding for four years — an industrial self-sufficiency in the sense of a balance in her foreign accounts. Her determined long term policy is to replace to a maximum the imports of consumption goods and to stimulate exports, through a rapid industrial and agricultural expansion.

The actual history of the country's economy supports this outlook with clear facts and recorded trends. In



## CHALLENGE OF LAND CONSERVATION IN ISRAEL

1: Near the settlement of Ein Harod soil is good red loam, but slopes are long with fairly steep gradients, and erosion is serious.

2: A diversion channel is surveyed for location and grade, to capture run-off waters from bare mountain slopes, in order to protect lower fields.

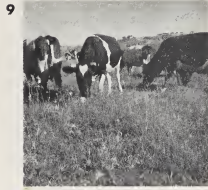
3: Absorption of drainage terrace channels are also surveyed and installed across slopes to hold and lead away unabsorbed storm waters.

4: A Soil Conservation Staff meets in the field to locate a Pilot Project of some 22,500 acres and demonstrate effective ways of conserving soil.

5-6: Giant bulldozers and drag line buckets lower the Jordan River 20 feet and drain most of Lake Huleh, in order to eliminate deadly poppy swamps. When completed, this work, which was included in the Jordan Valley Authority Plan (Water Clay Lowdermilk), will bring some 12,000 acres of land into intensive irrigation farming.

7-8: Good land in northern Negev badly damaged by gullying from misuse in the past. To restore productivity for food crops, it is necessary to make use of run-off diversion channels, bulldozers, absorption terraces, revegetation, contour cultivation, and development of water supply.

9: Irrigated pasture in the settlement of Ruhomo, northern Negev; when water is available, soils of this region yield heavily in pasture and crops.



the early 1920's, the processing of agricultural products represented about one-fourth of all industrial activity. In the 1930's, immigrant technicians and persons with capital, as well as the natural expansion of the domestic market, contributed to industrial development and technological change. Especially significant was the growing diversity of industry, with such a wide range of products as chemicals and pharmaceuticals, cement and other building materials, textiles and clothing, metals and printing. During World War II, the country was transformed into an industrial arsenal for the Allied Forces in the Middle East. About 600 new plants sprang up, the number of workers more than doubled, and factories operated round the clock. New enterprises engaged in industrial diamond cutting and polishing and in the manufacture of precision instruments, machine tools, agricultural machinery and automotive parts.

## Industry Under the State

An even more rapid increase in industrial activity followed the establishment of the State in 1948. Of the 395,000 gainfully employed in July 1950, 76,466 were in industry (exclusive of handicrafts) and the number of industrial enterprises reached a new peak of 7,278 plants. Already in 1949 industry produced about 25% of the national income, followed by commerce and finance with 20%, agriculture and fishing with 12.8%. The 100,000 employed in 1950 in both industry and handicrafts rose in 1951 to 119,000 or 23% of the total Jewish working population. Consumption goods industries — food processing, clothing, furniture — expanded to meet the requirements of the growing population. All industries related to building increased their output. The overall expansion of the economy stimulated the growth of the machine and metal industry, where better equipment and production methods were introduced. More recently the textile and clothing industries have been expanding their share of exports. The chemical industry produces a variety of products including pharmaceuticals. The wood and leather industries are accelerating into mass production operations. This picture has justified the hope that both industry and commerce will fully realize the tasks of expansion anticipated for them in the Four Year Development Plan, 1950-53.

The Tel Aviv area contains about two-thirds of the country's industrial establishments. This is a center for foodstuff production (vegetable canning, chocolates, jams, sweets, etc.), textile factories, and other light industries. The heavy industries are concentrated in the Haifa region: foundries, soap and oil factories, glass and cement, and also textile establishments. Jerusalem has developed industries of its own: modern printing plants, the country's largest shoe factory, the first pencil factory, stone quarries, and a variety of such handicrafts as bookbinding and leather work, embroidery and carpets, knitting and weaving, ceramics and toys. Apart from industrial enterprises in Nathanya, Rishon-le-Zion,

Rehovot, Safed, and Lydda, there are many smaller projects distributed among the rural settlements. The wide range of products manufactured, processed, and finished in Israel, are shown in the following list:

**Textiles** — Spinning and weaving (wool, cotton, silk), finishing and dyeing, clothing articles (including underwear, interlock, fashionwear, etc.), rayon.

**Leather** — Tanning, footwear, fancy goods, etc.

**Plastics** — Bakelite products, nylon, clothing wear, including women's stockings.

**Foodstuffs** — Milling, canning, fruit juices and concentrates, jams, chocolates, biscuits, olive oil.

**Chemicals** — Pharmaceutical products, paints and dyes, waxes, soap.

**Wines, Spirits, and Tobacco** — Wines, liquors, brandies, cigarettes, tobacco.

**Building Materials** — Building hardware (nails, screws, locks, doorknobs, etc.), cement, concrete blocks, tiles, bricks, plywood, wire.

**Sanitary Equipment** — Pipes, baths, porcelain fittings, etc.

**Glass and Ceramics.**

**Furniture and Household Goods.**

**Tools and Machinery** — Precision instruments, machinery assembly, ice boxes, spare parts, bus body building.

**Diamonds** — Cutting and polishing.

**Handicraft** — Religious articles, metalwork, filigree work, etc.

**Printing and Bookbinding.**

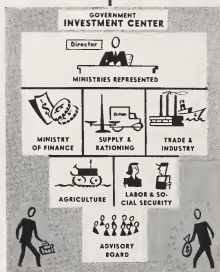
**Electrical Appliances** — Radios, electrical bulbs, lamps.

**Refrigerators.**

## Growing Capital Investment

Israel's industrial expansion has been surveyed by the Government Investment Center, which was set up following the Law for the Encouragement of Capital Investments passed by the Knesset in March 1950. Under this law, investors are offered incentives in taxation, amortization, and convertibility of currency. The survey covers 608 approved industrial enterprises during only an 18-month period in 1950-51. Of the \$168,000,000 total investment represented by these enterprises alone, over 40% is foreign capital, about one-third of it private American capital. The new enterprises, for this brief period only, included 119 in the metal and machinery field (automobiles, trucks, machine parts, pipes, fittings, gears, cooling equipment, agricultural machinery, etc.); 98 in the textile field (ready-made clothing, hosiery; knitwear, sewing threads, ropes, etc.); 89 in food-processing industry (preserves, juice concentrates, vitamins, oils, cigarettes, flour, bread, dairy products, etc.); 51 in electrical goods and appliances (motors, radios, bulbs, refrigerators, insulators, transformers, clocks, etc.); 59 in building materials (cement pipes, prefabricated houses, bricks, tiles, cement, etc.); 54 chemical enterprises (artificial fertilizers, sulphuric acid, detergents, dyes, oxygen, etc.); 26 paper and printing plants; 29 wood-working shops; 12 leather and footwear factories; 17 glass manu-

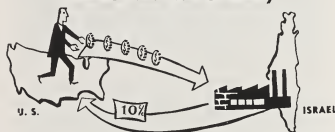




## Approved Undertakings



## Transfer and Convertibility



## Customs Exemptions



## Tax Benefits



Under the Law for Encouragement of Capital Investments, investors are offered incentives in taxation, amortization, convertibility of currency. A program approved by the Knesset, Oct. 1951, said: "Government will give special encouragement to every form of sound economic initiative . . . will offer facilities to foreign capitalists investing in essential development projects."

facturing and processing plants; 11 plastic factories; 14 rubber products shops; and 29 miscellaneous industries (cork products, brushes, pencils, sporting goods, fountain pens, etc.).

The "new look" of Israel industry is in evidence in all parts of the country, expressed in functionally planned modern factories. New plants have been erected by local manufacturers in cooperation with leading American concerns, such as the ultra-modern Kaiser-Frazer motor-car assembly plant in Haifa, which can put together 6,000 cars a year, and which in its first six months of operation exported 1,486 automobiles to France, Finland, Norway, and Turkey. Local manufacturers do not have far to go for models of modern production engineering, for American technology has come to Israel. Philco Corporation has a refrigeration assembly plant capable of manufacturing 40 to 60 refrigerators per 8-hour shift. Among other major industrial events of 1951 were the

beginning of production at a new steel plant near Acre (Middle East Tube Co., established by Solel Boneh) which is to form part of a future ten-million dollar "Steel Town"; a second plant near Ascalon (Yuval Gad) manufacturing pre-stressed concrete irrigation pipes, one of the biggest of its kind in the world; the new Moller-Dee textile factory near Nahariya; a new electric motor factory near Ramle; and a watch factory (Orlogin) near Ramat Gan. During 1951 construction work proceeded on two tire manufacturing plants, each with a projected output of 100,000 tires, one of them at Petah Tikvah in cooperation with General Tire and Rubber Company of Akron, Ohio, the other at Hadera in cooperation with Dayton Rubber Company. Two large cement factories, with a capacity of 300,000 tons per year, which will double the country's cement output, have been under construction at Ramle and Hartuv. The Fertilizers & Chemicals plant at Haifa is being converted into one of the large chemical plants of the world.

To assist prospective industrialists in areas most suitable for their projects, industrial zones are being planned with regard to natural conditions — climate, geology, geography, and population — in the Haifa Bay, Acre, Nahariya, Yezur, Herzlia, Nathanya, Ramle-Lydda, Tel Aviv, Jerusalem, and Negev areas. The main features of Israel's industrial evolution are the development of new fields of industry, increased size and efficiency of industrial units, and the modernization of equipment and production methods. Industry in Israel is already the country's most important source of employment and national income. Its development is leading rapidly to an improvement in the national balance of trade. Israel's industrial atmosphere is receptive to progress and offers scope for the creative talent of both free enterprise and the teamwork of the community.

## Reconstructing the Arab Economy

Reconstruction of the Arab economy has been a major goal in Israel. Special efforts have been made to promote Arab farming and transform the traditional peasant economy of the *jellahin*. Apart from general government assistance to all farmers in Israel through subventions, distribution of seeds, loan of tractors, extension of irrigation, and agricultural instruction, special loans were granted to Arab farmers, without guarantees, to replenish their stock and accelerate a transition to more intensive farming. The results were an enlarged agricultural area under cultivation and irrigation, improved methods, and new crops in the Arab agricultural sector. Arab dry farming increased from 35,750 acres in 1948-49 to 113,250 in 1949-50; vegetable farming from 4,500 to 9,750 acres in the same period, and to 11,250 acres by 1950-51. There were similar increases in tobacco, pulse, melon, and other products.

Arab farmers and workers have established more than 50 producer, consumer, and distributor cooperative societies with some 2000 members, most of them organized with the help of Histadrut which has set up a fund for developing Arab cooperatives. To relieve a war-disorganized Arab labor market, the Ministry of Labor has undertaken the training of semi-skilled artisans for auxiliary work connected with Arab agriculture: metal workers, mechanics, and builders; while unskilled laborers and smallholders have been employed in public works such as afforestation, road building, and quarrying.

Arab skilled workers, artisans, dock and railway workers, drivers and others, have adapted themselves to new conditions, with their wages going up progressively to points higher than in any other Middle Eastern country. For skilled and unskilled workers, full equality of wages with Jewish labor has been the aim of government and trade unions. Health services, social welfare, education, political and cultural activities have concentrated on the complete integration of the Arab into the general community of Israel.

## Housing A Nation

The problem of housing is critical in every modern country. In Israel building has developed at a tempo parallel to immigration. It has always been one of the largest sectors in the economy, but it has not kept up with requirements of housing conditions; accommodation has always been overcrowded; rents have amounted to 25% to 40% of family expenditure. When the State was founded there was an estimated shortage of 100,000 rooms for the existant community; before this grave situation could be remedied the population more than doubled. Since private enterprise was not able to undertake construction on the scale required, government, the Jewish Agency, and regional authorities had to construct housing for immigrants. The volume of construction since May 14, 1948, though increasing rapidly, has been inadequate. In so far as the construction industry has been able to meet the needs for new immigrant housing, new factory and farm building, new public building and new roads, it has served as an important source of employment for large numbers of newcomers. Construction activity has stimulated local production of building materials such as cement, lime, plaster of paris, sand and stone, brick, cement blocks, tiles, electricity and sanitary installation. Planning bodies have coped with problems of regional development and rational dispersal of population, improvement of building methods and a systematization of the building program.

The following table shows the distribution of the Jewish population (including immigrant camps) by areas in March 1950, and the distribution of housing constructed by the Housing Division of the Ministry of Labor in 1950-51.

Area	Jewish Pop. March 31, 1950		Housing Constructed		Jewish Pop. March 31, 1951	
	No.	%	No.	%	No.	%
Galilee	51,638	4.9	3,990	30.9	74,862	6.0
Haifa, the Vales & Samaria	250,282	24.0	1,899	14.7	310,129	24.6
Sharon & Shephelah	194,816	19.2	3,339	25.9	249,657	19.9
Graeter Tel Aviv	423,437	40.0	—	—	448,890	35.6
Jerusalem & "Corridor"	111,058	10.6	1,220	9.5	137,609	10.9
Southern Judea & Negev	13,890	1.3	2,430	19.0	36,684	3.0
<b>TOTAL</b>	<b>1,045,121</b>	<b>100.0</b>	<b>12,698</b>	<b>100.0</b>	<b>1,257,301</b>	<b>100.0</b>

The thousands of new housing units built by Amidar or National Immigrant Housing Corp. of Israel Ltd., established by government, Jewish Agency, and Jewish National Fund, in cooperation with public housing corporations; Histadrut housing corporations — Shikun for urban and Neveh Oved for rural hired labor — with ownership of their buildings by cooperative societies; Rasso or Rural & Suburban Settlement Co., which looks after middleclass housing; Mishkenot, founded to build suburbs for the orthodox; and other corporations have influenced regional development profoundly. Beersheba, for example, is becoming a large town; Tiberias is expanding with large-scale housing into Upper Tiberias; Affula is extending over Givat Hamoreh; Har Tuv will be developed as the town of Beit Shemesh; and an urban center for its entire agricultural district is developing in Beer Tuvia.

## By Land, Sea and Air

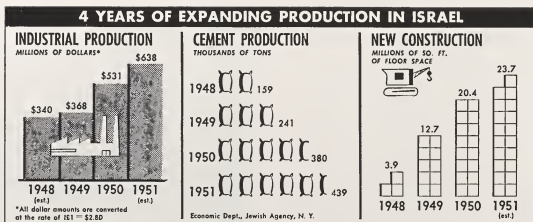
Israel's transportation system consists of a State-owned railroad of 276 miles, a dense network of bus services, six interurban taxi services, trucks, and passenger cars. All the important centers of population are already linked by good all-weather roads. Networks of smaller roads connect rural settlements with their marketing and distribution centers. Civilian motor vehicles increased from 14,600 in 1943 to 36,706 in 1950. The merchant marine grew from 10 vessels (excluding tugs, fishing smacks, etc.) of 21,000 gross tons in 1943 to 32 vessels of 90,000 tons in 1950. National shipping quickly became a vital part of the new State. Zim, the Israel Navigation Co., Ltd., with its associated companies, in their development during three years, transported over 350,000 immigrants, 40,000 tourists, and over half a million tons of vital cargo to and from Israel within this period. The maritime policy has been expansion: building new ships (citrus carriers are under construction in Dutch shipyards), looking for new capital to finance purchases and buildings, technical improvement in the existing fleet, and training of additional seafaring personnel. Including private shipping lines like Diezengoff Shipping Co. and Atid Navigation Co., Israel's total fleet in 1951 reached a deadweight of 120,000 tons. With more immigrants and tourists being attracted, and the expected increase of seaborne trade, the doubling of Israel's mercantile marine has been imminent.

Five settlements of fishermen have been established on the Mediterranean coast; Ein Gev and Ginossar on Lake Tiberias and Hulatta on Lake Huleh have made fisheries their chief occupation. Good results have been obtained in fish pond culture in Galilee, Beisan Valley, and as far southeast as the Dead Sea shore; Lake Huleh was restocked with carp; and on the northern frontier in Dan and Dafneh trout culture was introduced, using the cold waters of the Jordan for the trout ponds.

Airlines, representing the United States, United Kingdom, France, Italy, South Africa, Holland, Greece, Belgium, Switzerland, Sweden, Philippines and Cyprus, have regular scheduled flights via Lydda; and for most of these lines Lydda is a terminus. El Al, the Israel National Air Service, operates regular flights to New York, Paris, London, Vienna, Rome, Zurich, Athens, Nicosia, Johannesburg, and Istanbul. Israel has a growing tourist industry. Some 20,000 in 1949, over 30,000 in 1950, and 40,000 in 1951, were attracted by the historical event of the new State of Israel, Biblical landmarks, scenic beauty, a mild climate, energetic patterns of living, sport and cultural festivals. From April 16 to May 18, 1953 in Jerusalem, "Conquest of the Desert," a unique international exhibition and fair, the first of its kind ever to be held, will be opened to dramatize the achievements in all fields of land reclamation throughout the world — Israel included. UNESCO, the United States and some forty other nations have been invited to participate.



Seaborne trade, tourist and immigrant traffic, at Haifa and Lydda, are expanding mercantile marine and air operations. Exports are growing in volume, range, and markets, now including automobiles, refrigerators, radios, and chemicals.



## The Economic Score

A balanced appreciation of Israel's economic outlook will go beyond temporary difficulties, to those basic developments which are shaping the country's future. Wherever the population increases at a more than normal rate — and the rate in Israel exceeds all precedent — production cannot keep pace with demand. Against signs of inflation, Israel has held the threat of a rising cost of living in check. Against an inherited adverse trade balance, it has made great gains in a wide range of exports, in spite of the tremendous growth of the expanded home market. It has seen steadily increasing investments in essential development projects. Unlike the case in most western European countries — which are not burdened with mass immigration and are moreover receiving Marshall Aid — Israel's economic problems are, basically, concomitants of economic growth. The keynote of the picture is growth in all fields despite handicaps and hardships, and the country can show a positive balance-sheet of achievements.

Israel's economic development is fundamentally sound. There is practically no unemployment in a country which has increased its population by 120% within four years, a world record. The nation has evolved successful methods for absorbing immigrants into the working community; all the newcomers have been provided with a roof over their heads and almost all are earning a living by their own work. The national income is continuously growing and already surpasses on a per capita basis the levels achieved in some European countries. Within four years, the total area under agricultural cultivation increased by about 85% and over 320 new settlements were established, which is 57% of the total number of settlements founded since modern Jewish colonization began in 1882. But the gap between the rate of population increase and of agricultural production is closing in progressive steps toward self-sufficiency — in vegetables, eggs and poultry, dairy products and fruit, cereals and fish.

Industrialization, too, is going ahead at full speed; new

factories are rising and old ones expanding, the chemical and glass industries ranking far ahead of any in the Middle East. Consumption of electric power, a yardstick of economic activity, whose industrial use rose in 1950 alone by 43%, shows a strong upward trend. Some of the new mineral wealth discovered, phosphates, kaolin clay and glass sand, are already being used in industry; these will contribute to Israel's expanding industry and agriculture and to her balance of payments through exports. Prospecting for oil is in progress. Israel's merchant marine has increased from almost nil in 1948 to 120,000 tons. A national air service, non-existent before the State, is now operating services to many parts of the world. The deserts of the Negev are being cut by high-roads and dotted with pioneers, settlements, and vegetation. Exports are growing in volume, range, and markets, now including automobiles, refrigerators, radios, and chemicals. The occupational distribution of Israel's people, and in particular the rural portion, reflects a permanent structure capable of social and economic development.

Moreover, Israel's economic progress has been secured so far without the benefit of the new irrigation schemes which, when completed, will revolutionize its agricultural output; without the full use of the enormous resources of the Dead Sea or of the mineral wealth of the Negev which will be the cornerstone of the country's industrial future. When friendly initiative and know-how have guided all these potentials into service, when new factories and farms mature into full productivity, the full rewards of pioneering in Israel will come. They will come as they did to Americans who, on a larger scale, also subdued a wilderness, settled on the land, brought it under the plow, extracted riches from the earth, and gathered millions into their democracy. Already Israel has achieved for more than one and a half million human beings the rehabilitation of nature, man, culture, and daily bread.

# ISRAEL AND THE UNITED STATES

THE BONDS BETWEEN ISRAEL and the United States are those between democratic societies and friendly cultures. The people who have built Israel have a natural affinity to the spirit of American democracy. Conversely, the men who built colonial America dwelt with the concept of a Biblical commonwealth, and generations of their descendants have valued the Prophetic tradition. Like so many other nations, Israel looks to the United States in many ways for an amelioration of its serious economic problems. Israel has enjoyed generous moral and financial support from both the American public and government. This has played a role in its establishment and development. Moreover, the interest and support which American Jews have rendered has had a vital significance for Israel. Since by receiving hundreds of thousands of immigrants Israel has fulfilled a humanitarian task of international importance, and contributed to the solution of a tragic problem, she feels morally entitled to look for help outside her borders.

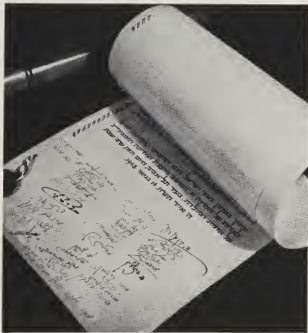
PRIVATE AMERICAN INVESTMENT too has flowed into Israel, as well as American manufacturing and technological know-how. A mission of Israel workers coming from various industries has visited the United States and learned firsthand the techniques of production and organization. American experts of top rank, like Dr. Walter Clay Lowdermilk, the land conservationist, have been consulted by the government of Israel. Hundreds of her students study in American universities in all branches of knowledge, and under the Smith-Mundt Act her men have been enabled to come to the United States and compare American methods and achievements with their own problems and solutions in Israel.

ISRAEL IS SITUATED in one of the strategic regions of the globe, a region in whose peace and stability the United States has a direct and vital interest. For Israel, her friendship with the government and people of America is one of the major aims of her statesmanship. Happily there is a basic identity of the principal aims which govern the course of policy in both nations. The two countries have a vital interest in peace, both in the world and in the Near East. Any tension and instability in the Near East is a detriment to the region as a whole, to its progress, and the peace of the world. There is no problem between Israel and the Arab States which could not ultimately be solved by direct and frank negotiations.

ISRAEL'S POLICY is aligned with the United Nations. Like the United States, Israel believes that the dispersal of anxieties and dangers in the world lies in a firm and democratic order among the nations. Because of this belief in international law and order the government of Israel decided to support the United Nations action in Korea. Israel, which has been a victim of aggression,

knows from her own experience that chaos results if aggression goes unopposed. In the United Nations, Israel has voted for all the major proposals for social reform and economic advancement. In its Economic and Finance Committee, Israel has emphasized the importance of developing incentives to progress in underdeveloped areas; and has stated that economic help must be reinforced by infusing the consciousness of the population with the need for development. In the Trusteeship Committee, she has recommended financial and technical aid to trust territories and training of their peoples in self-government. In the Human Rights Commission, she has introduced measures to strengthen the human rights covenant.

THE SOCIAL AND POLITICAL CHARACTER of Israel is Western. Her economic and cultural contacts are overwhelmingly with the West. Israel is a democratic state in a region suffering from retardation and underdevelopment. She has no underprivileged masses or illiteracy and her democratic system grows from the traditions and will of her people. Israel is a dynamic and expanding community, and already her economy compares favorably with some older economies of Europe. The devoted patriotism of her population is not directed against the outside world nor to the acquisition of foreign territory, but to the building up of a country with the best resources available in the soil within its boundaries and in the genius of its people. From experience, Israel understands profoundly these observations:



Israel's Declaration of Independence of May 14, 1948. "A natural affinity to the spirit of American democracy."

## From United Nations Economic Survey Commission for the Middle East

"HIGHER LIVING STANDARDS cannot be bestowed by one upon another like a gift. An improved economy does not come in a neat package sold or given away in the market place. A higher standard of living must grow out of the application of human skill and ingenuity to the physical resources of a country or a region.

"THE HIGHLY DEVELOPED nations of the world did not make their way by wishing. By work and risk they forced the earth, the soil, the forests and the rivers to yield them riches. They pooled their energy and resources by taxation and mutual enterprise to discover new ways of doing things. They worked, they invented, they educated and trained their children, and they invested in their national and in their private enterprises. This they must continue so to do, if they are to maintain the standard of living they have achieved.

"THERE IS NO SUBSTITUTE for the application of work and local enterprise to each country's own resources. Help to those who have the will to help themselves should be the primary policy guiding and restraining the desire of the more developed areas of the world to help the less developed lands.

"EACH COUNTRY OF THE MIDDLE EAST will, sooner or later, learn that the resources of its neighbors have an important and frequently determining influence upon the economic growth of each individual country. . . .

"ECONOMIC GROWTH among inter-dependent countries requires peace among neighbors. Thereby only can the full complement of nature's gifts to man be organized to produce a creative system of life and living."\*

THE PEOPLE OF ISRAEL have worked and lived by these principles. Several generations of pioneers — undaunted by hardship and disease, consecrated to a goal of material and spiritual rehabilitation — wrested food, clothing, and shelter from desert and swamp. Their true love of the soil developed something new under the sun. They extended the utmost aid to settlement through law and order, financial resources and planning. They invested their stock of energy and genius in national and private enterprises. They educated their children how to lift a land from a desolate condition to a dignified

place in a free world. History has no record of a people that has suffered and struggled more or paid a higher price for its dedication to become a normal, vigorous, and free nation. There is perhaps no precedent for a young state of eight thousand square miles assuming the enormous responsibility of absorbing hundreds of thousands of immigrants and of feeding, housing, employing and integrating them, as a matter of duty. The people of Israel are confident that in their aspiration to produce a creative system of life and living they will have the continuing understanding and support of the people of America.

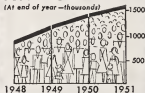
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\*United Nations Conciliation Commission for Palestine, *Final Report of the United Nations Economic Survey Mission for the Middle East* (United Nations Doc. A/AC.25/6, 28 December 1949).



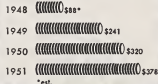
## POPULATION

(At end of year—thousands)



## NEW CAPITAL INVESTMENT

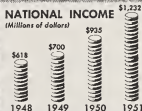
(Millions of dollars)



\*est.

## NATIONAL INCOME

(Millions of dollars)



# 4 YEARS OF ECONOMIC PROGRESS

## GAINFULLY EMPLOYED

(Thousands)



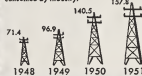
## ACRES UNDER CULTIVATION

(Thousands)



## ELECTRIC POWER

(Millions of KWH consumed by industry)



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Economic Dept., Jewish Agency, N. Y.

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**ISRAEL OFFICE OF INFORMATION**

**New York**  
**11 E. 70th St.**

**Washington, D. C.**  
**2210 Massachusetts Ave.**

**Los Angeles**  
**208 W. 8th St.**

**Montreal, Canada**  
**1260 University St.**

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